

**MINUTES OF REGULAR MEETING
OPEN SESSION
ILLINOIS GAMING BOARD
JANUARY 14 AND 15, 2008
CHICAGO, ILLINOIS**

NOTE: ITEMS IN **BOLDFACE PRINT** REFLECT OFFICIAL BOARD ACTIONS

On Monday, January 14, 2008 and Tuesday, January 15, 2008 a Regular Meeting of the Illinois Gaming Board ("Board") was held in the conference room of the Gaming Board Offices on the 3rd floor at 160 N. LaSalle, Chicago, Illinois.

On Monday, January 14, 2008 at 10:20 a.m. the following Board Members were present: Chairman Aaron Jaffe, Members Charles Gardner, Eugene Winkler, James Sullivan and Joseph Moore.

At 10:20 a.m. on Monday, January 14, 2008 Chairman Jaffe called the meeting to order. Pursuant to Section 2(c), paragraphs (1), (4), (11), (14) and (21) of the Open Meetings Act and Section 6(d) of the Riverboat Gambling Act, Member Gardner moved that **the Board retire to Closed Session to discuss the items listed under Closed Session on today's agenda and relating to the following subject matters:**

- 1. Pending Litigation and matters involving probable litigation;**
- 2. Investigations concerning applicants and licensees;**
- 3. Personnel matters; and**
- 4. Closed session minutes.**

Member Sullivan seconded the motion. The Board approved the motion unanimously by roll call vote. The Board remained in Closed Session until approximately 1:15 p.m. and recessed until 11:10 a.m. on January 15, 2008. The Board went into open session at 1:10 p.m.

Roll call was taken at the start of the open session with Chairman Jaffe, Members Gardner, Winkler, Sullivan and Moore present.

APPROVAL OF MINUTES –

Member Gardner moved that **the Board approve the closed session minutes of its Regular Meeting of December 17 and 18, 2007, and the open session minutes of the Regular Board meeting of December 18, 2007.** Member Winkler seconded the motion. The Board approved the motion unanimously by roll call vote.

BOARD POLICY ITEMS

Caleb Melamed addressed in the Board to explain the proposed Rule changes.

- Rulemaking – Sections 3000.100 and 3000.635

Member Winkler moved to **authorize staff to submit proposed revisions to sections 3000.100 and 3000.635 of the Adopted Rules for First Notice Filing with the Secretary of State upon final review and approval of the Administrator.** Member Sullivan seconded the motion. The Board approved the motion unanimously by roll call vote.

- Rulemaking – Section 3000.245

Member Winkler moved to **authorize staff to submit proposal revisions to section 3000.245 of the Adopted Rules for First Notice Filing with the Secretary of State upon final review and approval of the Administrator.** Member Sullivan seconded the motion. The Board approved the motion unanimously by roll call vote.

CHAIRMAN'S REPORT/COMMENTS – no motion

The Chairman stated the deadline for RFP submissions for investment bankers who will consult with the Board on the re-issuance of the 10th license has been extended until March 3, 2008. This will give interested parties more time to submit proposals. The original time frame was too restrictive.

ADMINISTRATOR'S REPORT – no motion

Mark Ostrowski stated that the March, 2008 meeting date has been changed. The March meeting was scheduled for March 28, 2008, and no firm date has been determined as of yet.

BOARD MEMBERS' COMMENTS – no motion

PUBLIC COMMENTARY – no motion

OWNER LICENSEE ITEMS –

- a. Items for Final Action -

- Penn National Gaming – Request to Eliminate Obligation to Sell Empress Casino

Cezar Froelich addressed the Board for reconsideration of the divestiture of Empress Casino by June 30, 2008. On May 16, 2007 a formal request was presented to the IGB by Penn for reconsideration. The following addressed the Board on behalf of Penn National:

Illinois State Senator AJ Wilhelmi – Representing the 43rd Senate District, the Senator was born and raised in Joliet. He expressed great concerns with the issue under consideration. As a

resident of Joliet, the Senator knows first hand what Penn National Gaming has done for the City of Joliet. Penn National has a great relationship with the community of Joliet. Penn is an outstanding corporate citizen of Joliet. The corporation is an excellent steward and responsible owner. The economic concentration argument does not outweigh the importance of Penn staying within our community.

Illinois State Senator Linda Holmes – The Senator addressed the Board; her District is the City of Aurora and some portions of Joliet. The Senator stated that she has a very good understanding of the first class operation that Penn runs. As a business owner she understands the importance of giving back to the community. Penn has an incredible dedication to being a good corporate citizen. The Senator stated that many times she has worked side by side with many of the employees from Penn National for community projects. The Senator strongly encourages the Board to permit Penn to keep the property.

Member Gardner stated that this decision is not arbitrary, the decision was made 3 years ago in response to the Rule and Act for no undue economic concentration.

Member Winkler stated that the Board is carefully considering all the ramifications of this decision.

Jon Mezra – City Manager for Aurora for 20 years.

Penn National is the single most positive redevelopment tool in Joliet. The City Council of Joliet wants Penn to continue to be a part of our community. Mr. Mezra went on to read a letter from the Mayor of Joliet expressing the same sentiments.

Larry Walsh – Will County Executive

Mr. Walsh expressed that as a corporate citizen Penn has done well. They have contributed greatly to the community. Penn employs over 1,000 employees from the Will County area. Penn National's contributions to charities and the community are greatly appreciated. Penn is a strong corporate partner in Will County.

Mike Hansen – Chairman of the Will County Center for Economic Development

The Center is the largest employer and business group in the County, with a membership of over 300 businesses and employers. Penn National has given their personal commitment to the Center. Penn has given time, the use of the facility and financial resources.

Dave Evans – Community Activist - Joliet Quality of Life

Empress Joliet Casino is an excellent corporate neighbor. Penn has provided people power and financial support for the community.

Elizabeth Brown – Assistant Vice President Sea Farers Union

Penn National has earned the trust of their employees. Neighbor friendly, Penn supplies the community with fare wages and a good working environment.

Tom Grineedi – Merrill Lynch

Merrill Lynch is Penn's advisor on the Joliet property. Markets are affected very negatively especially in the capital market. The lack of available capital will have an affect on the Empress property.

Member Gardner asked about how the banks would lose money in this transaction. Mr. Grineedi responded.

Member Gardner asked if anything was done in the market as to "test the waters". Mr. Froelich rose to the podium and addressed the question.

Peter Carlino – Penn National

There is very little that can be added, countless conversations. We have always taken seriously the responsibility to sell the property; although we prefer not to. Not many players in the industry at the present time. We remain prepared to sell, although it will not be good for the company. Not an easy sell with the 3% tax structure among other things. The smoking ban is not good for the industry. These are just a few of the negatives. Penn is one of the best gaming operators in the United States, recognized as such by one of the top business magazines in the country. Forbes magazine last year selected Penn as the best gaming and lodging operator in the United States. Penn is planning to put new capital into the property, an immediate investment of at least \$50M if Penn can keep the property.

Member Moore asked if a guarantee would include men and women of color in the use of contractors.

Member Moore also asked if Penn is aggressive in diversity related to employment. Peter Carlino responded affirmatively.

Mr. Carlino introduced the new General Manager, Frank Quigley, and member Moore wanted to know who the others were that were present. The five team members stood and their positions were announced.

Member Moore commented on the supplier diversity program and the employment diversity programs that those numbers really move when the CEO is aware of the numbers. It disturbs Member Moore that Mr. Carlino seems unaware of the numbers. Mr. Carlino stated that he doesn't memorize the numbers but is aware of them and said numbers could be furnished upon request.

Member Gardner stated that the \$50M commitment to the property is well received. Member Gardner also commented on the documentation, asking if the shareholders would suffer the affects of the sale such losses. Mr. Carlino stated that this was true. The market is very unsettled.

Member Gardner commented on the statement that was made that the industry has only a hand full of potential buyers. It is really hard to determine at this point in time.

- Casino Queen – Michael Joseph Kralovec, Member of the Board of Directors, Key Person

Based on a review of staff's investigation and recommendation, Member Moore moved that **the Board approve Michael Joseph Kralovec as a Key Person for Casino Queen Inc. as a Member of the Board of Directors.**

Member Gardner seconded the motion. The Board approved the motion unanimously by roll call vote.

- Empress Casino – Francis E. Quigley, General Manager – Level One

Based on staff's investigation and recommendation, Member Moore moved that **the Board approve Francis E. Quigley as an Occupational Licensee Level 1 in the position of General Manager for Empress Casino.**

Member Gardner seconded the motion. The Board approved the motion unanimously by roll call vote.

- Argosy Casino Alton – Precious Rutlin, Internal Auditor – Level One

Based on staff's investigation and recommendation, Member Moore moved that **the Board approve Precious Rutlin as an Occupational Licensee Level 1 in the position of Internal Auditor for Argosy Casino Alton.**

Member Winkler seconded the motion. The Board approved the motion unanimously by roll call vote.

SUPPLIERS LICENSEE ITEM -

- American Gaming & Electronics, Inc. – License Renewal

Based on Staff's investigation and recommendation, Member Sullivan moved that **the Board approve the renewal of American Gaming & Electronics, Inc.'s Supplier's License for a period of four years, expiring in January, 2012.**

Further, based on staff's recommendation, Member Sullivan moved to **designate the following positions, persons and entities as Key Persons of the licensee:**

- 1. Wells-Gardner Electronics Corporation;**
- 2. Anthony S. Spier;**
- 3. President, and**
- 4. Chief Executive Officer.**

Member Gardner seconded the motion. The Board approved the motion unanimously by roll call vote.

OCCUPATIONAL LICENSES APPROVALS & DENIALS - Level 2's & 3's -

Based on staff's investigation and recommendation, Member Sullivan moved that **the Board approve 23 applications for an Occupational License, Level 2, and 98 applications for an Occupational License, Level 3.**

Further, Member Sullivan moved that **the Board direct the Administrator to issue a Notice of Denial to the following individuals who received notice that staff intended to recommend denial and either did not respond or provide additional information to rebut the recommendation.**

- 1. William Paul Prather, and**
- 2. Tina Newman.**

Member Moore seconded the motion. The Board approved the motion unanimously by roll call vote.

PROPOSED COMPLAINTS AND DISCIPLINARY ACTIONS -

- Renegil L. Ramos, Occupational Licensee

Based on staff's investigation and recommendation, Member Gardner moved that **the Board issue a Disciplinary Complaint against Renegil L. Ramos, an occupational licensee, based on his admission that he took a TITO ticket worth \$227.50 from a patron.**

Further, Member Gardner moved that **the Board revoke Renegil L. Ramos' occupational license. Said action to take effect twenty-one (21) days from the date of service of the complaint unless the licensee files an Answer within that time period.** Member Sullivan seconded the motion. The Board approved the motion unanimously by roll call vote.

- Mark Orosco, Occupational Licensee

Based on staff's investigation and recommendation, Member Winkler moved that **the Board issue a Disciplinary Complaint against Mark Orosco, an occupational licensee, based on his September 14, 2007 conviction for "voting in other precincts" in Lake County, Indiana.**

Further, Member Winkler moved that **the Board revoke Mark Orosco's occupational license. Said action to take effect twenty-one (21) days from the date of service of the complaint unless the licensee files an Answer within that time period.** Member Sullivan seconded the motion. The Board approved the motion unanimously by roll call vote.

- Kim Parker, Occupational Licensee

Based on staff's investigation and recommendation, Member Moore moved that **the Board issue a Disciplinary Complaint against Kim Parker, an occupational licensee, based on his admission that he took a flat screen television from the Par-A-Dice Hotel.**

Further, Member Moore moved that **the Board revoke Kim Parker's occupational license. Said action to take effect twenty-one (21) days from the date of service of the complaint unless the licensee files an Answer within that time period.** Member Winkler seconded the motion. The Board approved the motion unanimously by roll call vote.

- Dominique L. Grant, Occupational Licensee

Based on staff's investigation and recommendation, Member Sullivan moved that **the Board issue a Disciplinary Complaint against Dominique L. Grant, an occupational licensee, due to her December 7, 2007 conviction for felony theft.**

Further, Member Sullivan moved that **the Board revoke Dominique L. Grant's occupational license. Said action to take effect twenty-one (21) days from the date of service of the complaint unless the licensee files an Answer within that time period.** Member Gardner seconded the motion. The Board approved the motion unanimously by roll call vote.

- Marcus Fenton, Occupational Licensee

Based on staff's investigation and recommendation, Member Gardner moved that **the Board issue a Disciplinary Complaint against Marcus Fenton, an occupational licensee, for failing to disclose his October 1, 2007 arrest.**

Further, Member Gardner moved that the Board suspend Marcus Fenton's occupational license for 5 days without pay. Said action to take effect twenty-one (21) days from the

date of service of the complaint unless the licensee files an Answer within that time period. Member Winkler seconded the motion. The Board approved the motion unanimously by roll call vote.

- Brandon W. Wade, Occupational Licensee

Based on staff's investigation and recommendation, Member Winkler moved that **the Board issue a Disciplinary Complaint against Brandon W. Wade, an occupational licensee, for failing to disclose his October 13, 2007 and November 13, 2007 arrests.**

Further, Member Winkler moved that **the Board suspend Brandon W. Wade's occupational license for 5 days without pay. Said action to take effect twenty-one (21) days from the date of service of the complaint unless the licensee files an Answer within that time period.** Member Gardner seconded the motion. The Board approved the motion unanimously by roll call vote.

- Kalisa D. Pitts, Occupational Licensee

Based on staff's investigation and recommendation, member Moore moved that **the Board issue a Disciplinary Complaint against Kalisa D. Pitts, an occupational licensee, for failing to disclose her October 22, 2007 arrest.**

Further, Member Moore moved that **the Board suspend Kalisa D. Pitts' occupational license for 7 days without pay. Said action to take effect twenty-one (21) days from the date of service of the complaint unless the licensee files an Answer within that time period.** Member Gardner seconded the motion. The Board approved the motion unanimously by roll call vote.

- Levenston Hall, Occupational Licensee

Based on staff's investigation and recommendation, Member Sullivan moved that **the Board issue a Disciplinary Complaint against Levenston Hall, an occupational licensee, for failing to disclose his November 25, 2006 arrest.**

Further, Member Sullivan moved that **the Board suspend Levenston Hall's occupational license for 5 days without pay. Said action to take effect twenty-one (21) days from the date of service of the complaint unless the licensee files an Answer within that time period.** Member Gardner seconded the motion. The Board approved the motion unanimously by roll call vote.

- Rachael C. Bambrick, Occupational Licensee

Based on staff's investigation and recommendation, Member Gardner moved that **the Board issue a Disciplinary Complaint against Rachael C. Bambrick, an occupational licensee, for failing to disclose her August 13, 2007 arrest.**

Further, Member Gardner moved that **the Board suspend Rachael C. Bambrick's occupational license for 5 days without pay. Said action to take effect twenty-one (21) days from the date of service of the complaint unless the licensee files an Answer within that time period.** Member Winkler seconded the motion. The Board approved the motion unanimously by roll call vote.

- Shenethia Cathey, Occupational Licensee

Based on staff's investigation and recommendation, Member Winkler moved that **the Board issue a Disciplinary Complaint against Shenethia Cathey, an occupational licensee, for failing to disclose her August 28, 2007, November 5, 2007 and November 25, 2007 arrests.**

Further, Member Winkler moved that **the Board suspend Shenethia Cathey's occupational license for 5 days without pay. Said action to take effect twenty-one (21) days from the date of service of the complaint unless the licensee files an Answer within that time period.** Member Gardner seconded the motion. The Board approved the motion unanimously by roll call vote.

ADMINISTRATIVE HEARINGS/ALJ REPORTS -

- Wakeena Gibson – Proposed Settlement Agreement

Based on staff's recommendation, Member Moore moved to **accept the proposed settlement agreement and delegate to the Administrator the authority to execute such agreement.** Member Winkler seconded the motion. The Board approved the motion unanimously by roll call vote.

ADJOURNMENT -

At 2:45 p.m. Member Moore motioned for adjournment while Member Sullivan seconded the motion.

Respectfully submitted,

Mary C. Boruta
Secretary to the Administrator